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Message Text

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PAGE 01 NEW DE 13714 261920Z

44
ACTION NEA-12

INFO OCT-01 ISO-00 OMB-01 ABF-01 TRSE-00 AID-20 IGA-02

CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10

PA-04 RSC-01 PRS-01 SPC-03 SS-20 USIA-15 ACDA-19

IO-14 EB-11 DRC-01 /159 W
---------- 083178
R 261500Z NOV 73
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 8057
INFO AMEMBASSY KATHMANDU

C O N F I D E N T I A L NEW DELHI 13714

E.O. 11652: GDS
TAGS: EFIN, IN
SUBJ: RUPEES: AID TO NEPAL

1. IN THE FINAL STAGES OF THE NEGOTIATIONS WE HAVE RUN INTO AN PRODECURAL QUESTION ON ECONOMIC ASSISTANCE TO NEPAL. THE GOI WOULD PREFER THAT THE PROVISION RELATING TO USG USE OF RUPEES TO FINANCE OUR ECONOMIC ASSISTANCE PROGRAMS IN NEPAL BE STATED IN RUPEES RATHER THAN DOLLARS. THE REASON FOR THIS NEW GOI CONCERN IS FEAR OF POLITICAL CRITICISM OF A FOREIGN EXCHANGE DRAIN EVEN THOUGH IN FACT WITHDRAWALS WOULD BE IN RUPEES.

2. WE ARE INCLINED TO BELIEVE THAT THE INDIAN CONCERN IS LEGITIMATE; THE SUBJECT OF A FOREIGN EXCHANGE DRAIN AS A RESULT OF THE RUPEE SETTLEMENT HAS ALREADY APPEARED IN HOSTILE PRESS ARTICLES. RATHER THAT SOURING THE POSITIVE IMAGE OF A FAIR SETTLEMENT ON A NON-SUBSTANTIVE POINT, WE BELIEVE THAT WE SHOULD ACCOMMODATE THE GOI ON THIS POINT.

3. WE PROPOSE, UNLESS INSTRUCTED OTHERWISE, TO AMEND PART II PARAGRAPH 10(A) BY DELETING "$8 MILLION" AND REPLACING IT BY "65 MILLION RUPEES". THIS IS SLIGHTLY IN EXCESS OF $8 MILLION AT CURRENT EXCHANGE RATES. WE BELIEVE WILL HAVE NO DIFFICULTY
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IN OBTAINING ADDITIONAL RUPEES IF PRICE INFLATION BECOMES A

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SIGNIFICANT PROBLEM (THIS HAS BEEN VERBALLY CONFIRMED BY THE GOI) AND THIS IS DEALT WITH BY THE PARANTHETICAL PHRASE IN THE SAME PARAGRAPH.
MOYNIHAN

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NNN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, RUPEE, FOREIGN ASSISTANCE, EXCESS FOREIGN EXCHANGE
Control Number: n/a
Copy: SINGLE
Draft Date: 26 NOV 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973NEWDE13714
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731113/aaaaajku.tel
Line Count: 65
Locator: TEXT ON-LINE
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
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Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
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Review Event:
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Review Media Identifier:
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Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: RUPEES: AID TO NEPAL
TAGS: EFIN, IN, NP
To: STATE
Type: TE
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